FEBRUARY 13, 1967

DUTCH FOOD RETAILING
HELPS U.S. FOOD SALES

SOARING EEC BROILER
OUTPUT SWAMPS MARKET

NIGERIA'S PEANUT INDUSTRY

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Dutch housewives still take their groceries home by bicycle in baskets, saddlebags, or duffle bags; but the stores where they buy are changing. See story on food retailing in the Netherlands, page 5.

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Soaring EEC Broiler Output Swamps Market, Upsets Trade

The EEC's highly protective Common Agricultural Policy for Poultry has led to major problems for all the world's principal poultry trading countries.

By ROLLAND E. ANDERSON, JR.
Dairy and Poultry Division, FAS

Poultry farmers in the European Economic Community are asking "What happened?" as they face their worst predicament in two decades—a serious glut on the EEC broiler market. Their problem stems from the phenomenal expansion of broiler production within the Community. The consequent dislocation of European poultry trade patterns has brought worries both to EEC Member States and to outside suppliers, like the United States and Denmark.

The traditional poultry trade among the six EEC countries has been upset. U.S. poultry exporters have all but lost their EEC market for whole birds. Although their exports of chicken parts, of turkeys, and of turkey parts have helped to offset this loss, these could run into insuperable price competition on European markets if the present EEC broiler surplus is long continued. Other traditional poultry suppliers of the EEC, such as Denmark, have an equally strong interest in seeing the Community find answers to its broiler problem.

Protection has brought overproduction

The reason for the EEC's broiler boom can be traced back to the establishment in mid-1962 of the Common Agricultural Policy (CAP) for Poultry and the resulting high level of protection for EEC broiler producers. At the onset, the import levy protection on whole broilers was put at 12½ cents per pound for the major market, West Germany, and it has increased steadily to its present level of over 17 cents per pound.

Shielded by the import levy, and further encouraged by rapid technological advances, broiler output in the Community expanded rapidly. West German broiler production nearly quadrupled during this period (1962-66), reaching an estimated 80,000 metric tons in 1966. Netherlands broiler production increased almost threefold, from 64,600 metric tons in 1962 to an estimated 190,000 last year. Belgian broiler production during this same period rose from 63,000 to 78,000 metric tons.

Although broiler production figures are not available for France, total poultry meat production there grew from 375,000 metric tons in 1962 to an estimated 472,000 metric tons in 1966; and all reports seem to indicate that broiler output accounted for most of this increase. Italian poultry meat production also grew rapidly, from 175,000 metric tons in 1962 to over 300,000 metric tons last year.

Overproduction has weakened prices

This upward surge in production has driven European broiler prices to very low levels. In Germany, the liveweight producer prices reported for broilers during early December 1966 dipped to the lowest in postwar, 21 cents per pound compared with about 26 cents a year earlier and nearly 28 cents in December 1962.

In France, producer prices for broilers in September 1966 were reported at 17.2 cents per pound, liveweight, compared with an annual average of about 26 cents during 1962. Lower producer receipts were also reported in Italy and Belgium.

In the Netherlands, producer prices for broilers have also declined substantially—from 20.7 cents per pound in September 1965 to 18.3 cents during September 1966. The decline may actually be larger than this, however, since average producer prices for broilers include deliveries under contracts which were made months ago when export prices were still high. Since October 1966 average broiler export prices in the Netherlands have been declining steadily from 34 cents to between 28 and 30 cents, f.o.b. German border. A year earlier—in the fall of 1965—Netherlands broilers were being offered at about 36 cents per pound.

Price competition severe within EEC

It is these low Netherlands offer prices that are giving German, French, and Belgian producers serious problems. During the first 10 months of 1966 Germany imported about 190,000 metric tons of poultry meat compared with 188,000 during the same period a year earlier, with imports in October and November 1966 the highest ever recorded—nearly 47,000 metric tons. The Netherlands accounted for over 50 percent of total German poultry imports.

French and Belgian producers can no longer compete on the German market with their Dutch counterparts. French offers for frozen whole broilers, f.o.b. German border, were last quoted at about 34 cents per pound. To this price must be added a German duty of 3.7 cents per pound and a turnover tax of 4 percent. Thus, French broilers would wholesale in Germany for about 39 cents per pound. As a consequence, German imports of French broilers have dropped sharply, totaling only about 5,100 metric tons during the first 11 months of 1966 compared with about 8,100 during the same period a year earlier. In recent weeks, Germany has virtually stopped importing French broilers.

Germans priced out of their own market

Netherlands broilers are currently being sold in Germany for as low as 31 to 32 cents per pound, after payment of the German duty of 3¼ cents per pound and a turnover tax of 4 percent. But even with producer prices at the lowest level on record, German wholesalers can only offer broilers at between 34 and 36 cents per pound.

This inability of German producers to compete with those of the Netherlands in their own domestic market prompted German processors to seek other avenues of relief. Large quantities of German broilers were exported for the first time in history—Switzerland imported over 1 million pounds in November and December last year. Under the EEC poultry regulations, German ex-

porters were allowed to pay a subsidy of over 9 cents per pound on broiler exports to nonmember countries.

However, apparently this "safety valve" was not sufficient, for surplus German stocks began to accumulate and by mid-December totaled approximately 3,000 metric tons. The German Government appealed to the EEC Commission for further assistance, and in December the EEC Council of Ministers not only acted favorably on the German request but granted a temporary increase of 4½ cents per pound in the maximum broiler export subsidy that member countries could pay on exports to third countries. Thus, German, French, Netherlands, and Belgian exporters are now permitted to pay a total of 13.6 cents, 13.3 cents, 11.3 cents, and 10.7 cents per pound respectively on shipments outside the Community.

Poultry markets outside EEC also affected

Danish exporters, in order to remain competitive with low Dutch, French, and Belgian offer prices of 20 to 21 cents per pound in the Swiss and Greek markets, have lowered their export prices and raised the home market fee levied on domestically consumed poultry.

U.S. exporters have seen their broiler exports to Europe sharply reduced during the past few years by the increased EEC broiler output and the subsidized offer prices by European (mainly EEC) suppliers. In 1966, German broiler imports from the United States—once the major broiler supplier to the German market—totaled only about 700,000 pounds and accounted for less than 1 percent of total broiler imports. Also, between 1962 and 1966 the U.S. share of Swiss poultry meat imports declined from 51 percent to about 7 percent, owing mainly to reduced broiler exports. In Greece, the U.S. share of the market during this same period declined from 51 percent to about 12 percent.

In the past few years, U.S. exporters have been able to recoup part of their lost sales in the European market through larger exports of poultry parts, whole turkeys, and further processed items. However, Switzerland does not permit U.S. poultry parts to be imported. Therefore in an effort to help U.S. exporters regain a fair share of the Swiss market, the USDA initiated a limited export subsidy program for whole chickens exported to that market.

The outlook for 1967 is for continued U.S. losses in the European broiler market. Sales of the U.S. poultry specialty items—i.e., poultry parts, poultry rolls and roasts, and whole turkeys—will probably remain large; but for these, too, the 1967 picture is clouded by the European broiler glut and the severe price competition it is engendering. These items are likely to make gains only if EEC countries can overcome their surplus problem so that prices can return to more reasonable levels.

How EEC Member States have reacted

The price effect of expanded broiler production in the EEC is more evident in some countries of the Community than in others. The Netherlands in 1966, as in the past 3 years, has cushioned prices to some extent by larger exports and greater domestic disappearance. Per capita consumption is expected to reach about 11.5 pounds in 1966, compared with 9.9 in 1965 and only 6.2 in 1962. Broiler exports during this period increased from 27,000 metric tons in 1962 to about 110,000 last year. However, in recent months broiler stocks in the Netherlands have risen to sizable heights. They are now estimated at about 15,000 metric tons.

Greater domestic disappearance has also been helpful in Italy, where poultry consumption has increased over 6 pounds per capita since 1962 and was expected to have exceeded 16½ pounds in 1966. The increase in German consumption, however, has slowed since 1962, mainly because of higher prices. German per capita consumption increased from 3.7 pounds to 12.3 pounds between 1955 and 1962. A year after implementation of the Poultry CAP it dropped to 11.9 pounds, but it has since rebounded and is currently about 15 pounds per capita.

In contrast to market conditions in Germany since the Poultry CAP—higher duties and higher consumer prices—U.S. consumers have continued to reap the benefits of the technological advances made by the poultry industry. Average retail prices for whole broilers in the two markets reflect this difference in policy—U.S. broilers retail for around 30 cents per pound, while German broilers normally sell for about 55-60 cents per pound. Per capita consumption of poultry meat in the United States is nearly three times that in Germany—about 43.6 pounds in 1966.

Most probably Germany and the other EEC member countries could have experienced a similar growth in consumption had they chosen to keep import charges reasonable and pass on production cost reductions to their consumers. Instead, under the Poultry CAP, price levels were increased (average German retail prices for broilers have risen about 5 cents per pound since mid-1962), production expanded rapidly, and member countries have been authorized to relieve surplus supplies by means of large export subsidies.

Special problems in France, Belgium

Consumption in France and Belgium since 1962 has remained more stable than in the Netherlands and Italy. This has intensified the difficulties these countries are experiencing from lower prices and increased broiler marketings in Germany, their major market.

French per capita consumption increased from about 12.3 pounds in 1955 to 16.7 pounds in 1962. However, during the next 4 years it increased only slightly more than 3 pounds per person, totaling about 20 pounds in 1966. A similar pattern occurred in Belgium, where per capita consumption rose from about 8.6 pounds in 1955 to 18.1 in 1962 but by 1966 had reached only about 19.8.

French ponder relief measures

The gravity of the crisis in the French domestic broiler industry is evidenced in the recent press release issued by the French Poultry Federation and in the recent farmers' demonstration at Morlaix, Brittany, when the town hall was attacked and windows broken. The Federation urged that the government take steps to purchase immediately 3,000 metric tons of broilers; to remove 500 metric tons of chicken a week from the market; to remove the ceiling on subsidy payments for exports to third countries; and to establish a poultry market support fund and an "Interprofessional" organization such as the dairy industry's "Interlait."

The French Government has responded by agreeing to

(Continued on page 15)

This distribution center serves all 407 Albert Heijn food stores (KLM photo).

Netherlands Food Retailing Trend Helps U.S. Food Sales

By DONNA LEE HERSEY
Assistant U.S. Agricultural Attaché, The Hague

It has been said that the Netherlanders are "a nation of grocers." Well, the vigorous mercantile spirit is still there, but the grocers themselves are retiring from the scene in increasing numbers. A combination of changing consumer demands and of economic necessity is putting many small grocery stores out of business and forcing the surviving ones to merge or to organize themselves in various forms of association.

This trend in food retailing directly affects the U.S. effort to sell more American foods in the Netherlands, for it increases the ability of the Netherlanders to successfully promote and distribute them. Today, the country's food stores are fewer but bigger; many of them are branch outlets for chains, giving a broad audience for coordinated promotion programs. The wide-spreading use of self-service exposes the customer more directly to new food ideas. The increasing affiliation of retailers with wholesalers or with other retail stores gives advantages both in quantity buying and competitive pricing and in merchandising imported products under private labels. And, perhaps most encouraging of all, the modern Netherlands store can carry the larger number and wider assortment of food items that the modern Netherlands customer can afford.

All imported foods are benefiting from this modern retail setup. Some U.S. products that are selling especially well are snack foods, dips and special sauces, turkeys and turkey thighs, honey, rice and rice specialties, canned fruit, and walnuts.

How retailing has changed in postwar period

The economy of the Netherlands, like that of many other nations, has undergone the stresses of rapid growth and change since the 1930's and especially since World War II. These stresses have been reflected in the country's food distribution system.

The depression years saw many inexperienced and inadequately funded persons entering retailing—mostly the grocery trade—by opening shops in their living rooms, in the hope of making enough money to weather the bad years. To stem this tide, laws were passed that are still in force today, requiring that the owner (and sometimes the manager) of any kind of retail shop possess diplomas in elementary business practices and in each class of merchandise sold.

During World War II, food marketing had to adjust to 5 years of German occupation. At this time, when food rationing and extreme scarcity were the rule, customers tended to remain loyal to the small neighborhood grocers and the number of chain stores actually decreased.

After the war came recovery and, slowly, increasing prosperity. Certain changes in food marketing began to be noticeable, which were to become even more pronounced as time went on. Particularly significant in the last several years has been a decline in the total number of retail outlets—still more marked when population growth is considered—coupled with an expansion in chain stores. Per 10,000 population, there were 48 grocers in the Netherlands in 1930, 25 in 1950, and only 18 in 1965.

Small stores giving way to chains

The postwar Netherlands had too many marginal grocers and other food retailers, especially in rural areas, which were losing people to the cities. Many of these retailers could not survive the strict postwar price controls and the competition from larger, better financed enterprises, able to open new outlets in locations that took population shifts into account and to make cost-cutting improvements.

The decade from 1950 to 1960 saw a smaller percentage decrease in the total number of outlets than was to occur later (only 5 percent for groceries, 9 percent for specialized shops dealing in only one category of food). But there was a 75-percent increase in the number of enterprises listed as having one or more branches. For the

grocery sector of the food marketing trade, this increase was 38 percent; but for the specialized stores, the number more than doubled, owing largely to a tremendous expansion in bakery chains. These numbers have changed little since 1960; instead, many existing units have been remodeled and/or enlarged or replaced by a supermarket in another location.

One-commodity stores are still an important factor in Netherlands food distribution. Although ordinary grocery stores furnish a somewhat increasing share of the retail food outlets, the specialized shops comprised all together almost as large a share of the total in 1966 as in 1950—68 percent compared with 71. Below are the numbers of outlets for the 2 years:

	1950 *Number*	1966 *Number*
Grocery stores	25,274	21,368
Specialized stores:		
Milk and dairy	12,544	10,365
Potatoes, vegetables, and fruits[1]	16,928	12,152
Bread	15,007	11,153
Meat and meat products	10,658	9,125
Fish[1]	4,618	2,800
Poultry and game[1]	585	767
Total	60,340	46,362
Total outlets	85,614	67,730

[1] Includes open-air market and street vendors.

As grocers continued to see their marginal colleagues forced to leave the business at the rate of about 250 per year, they naturally began to seek ways to remain competitive. Their thoughts, under the influence of the American example, turned first to conversion from clerk service to self-service. This had the double advantage of appealing to the housewife (hopefully, attracting new customers) and cutting costs.

It was the independents that took the lead in offering self-service, although the chains were the first with real supermarkets. The number of self-service outlets opened each year by independents rose from 11 in 1951 to 772 in 1964, with most of this growth occurring from 1958 on. The chains opened about 30 to 50 a year between 1953 and 1958; in 1959 they opened 138, a number not equaled since. The single consumer cooperative opened an average of 30 per year from 1959 to 1964, but 71 in 1966.

Another important weapon in the ever stiffer competition was also taken from the United States. Grocer-businessmen of the Netherlands were probably the first in Europe to adopt the concept of voluntary wholesaler-retailer affiliation. Now about 8,400 outlets belong to the five most tightly organized of these groupings (similar to the American IGA and Nationwide) and about 4,600 groceries to two similar but looser organizations; some 4,200 outlets belong to a number of much smaller networks; and about 3,300 grocers have chosen to combine in two central buying groups. About 1,000 grocers, in contrast with 5,000 in 1956, are nonaffiliated.

One advantage that these affiliated stores have is the right to sell merchandise—including imported goods—under their private labels. In the Netherlands, retail prices for much of the limited variety of name-brand merchandise are fixed by the manufacturers, and government

Above, a modernized clerk-service food store in Limburg Province shows the wide variety of products and packaging now available to consumers in the Netherlands. Left, an independent dairy store of the older type also features imported snacks as well as Dutch cheeses, both in traditional wheels and in other forms.

regulations limit prices for a few others to a maximum which is too low to allow price cutting. Thus, private labels offer the only real chance for price competition.

Now comes the question, however: since all but about 1,000 grocers are now organized, cannot all of them offer private-label goods at the same price ? What are the other weapons of competition? In the opinion of some economists here, price competition is fairly well limited to weekend specials, although the two largest chains and the consumer cooperative may have a related advantage through using their own processing factories.

Competition between the organized merchants depends now on trading stamps (many of which are not given free but must be purchased), a discount taken right off the cash register tape, greater variety (in nonfood items also), and special "weeks," which are often devoted to products of a particular foreign country. The "week" approach was used very effectively by two of the major chain food distributors in their America Food weeks in October-November 1966.

Affiliated grocers have largest sales share

Total annual sales in the grocery sector were approximately $1 billion in 1965, more than three times as much as in 1950. Of this, the chain stores (the four largest having 1,107 outlets in 1965) accounted for 23.8 percent and the consumer cooperative (with roughly 700 outlets) for 8.2 percent. All the remaining 68 percent of sales were made by the affiliated grocers plus the 1,000 that were wholly independent. It is estimated that, to stay in business, a grocer must have an annual turnover of $55,000 to $60,000 per year, as contrasted with about $28,000 in 1950. Supermarkets must have a turnover of nearly $300,000. The gross margin of profit has been running at about 16 percent.

Greater prosperity encourages wider variety

Until recently, incomes in the Netherlands were not high enough to support a wide assortment of food items in grocery sales. According to a recent speech by a leader in the food-marketing trade, the variety carried by the average large grocery store has been quite limited—1,500 to 2,000 items, compared with 7,000 to 10,000 in the United States. Even this represents a tenfold increase over a few decades ago—an increase that reflects the recent steady rise in consumer income.

Average income, expressed in terms of constant prices, has developed as follows:

	Guilders	*Dollar equivalent* [1]
1950	1,476	388
1955	2,282	634
1960	3,061	850
1961	3,184	884
1962	3,318	922
1963	3,548	986
1964	4,051	1,125
1966 [2]	4,600	1,278

[1] Exchange rate: 1950, $1.00 = 3.80 guilders; 1955-66, $1.00 = 3.60 guilders. [2] Estimated.

This favorable income trend was a feature of the 1960's. For many years, the Netherlands employer had unsually low labor costs. Except for a 6-percent boost in 1956, wage increases were very slight during the earlier postwar period; in fact, between 1957 and 1963 they were severely limited. But between 1963 and 1966, wage costs (in which the value of fringe benefits is included) rose by 46 percent. Prices increased too, of course, but real income is figured to have risen by 29 percent between 1959 and 1966. And the average Netherlander spends 27 percent of his income on food and beverages.

Opportunity for U.S. foods

The greater variety demanded today by the always internationally minded and increasingly prosperous Netherlands consumer *can* be offered, now and in the near future. But to a great extent it cannot be produced domestically. It will come from abroad—from the EEC countries as trade barriers between them are lowered; from Spain, a favorite resort area for the annual vacation taken—and taken very seriously—by Netherlanders of all income levels; from England, to which they have longstanding ties; and from America, to which they look for everything new.

America can sell increased amounts to this growing market, if efforts are directed at the key points in the distribution channels; namely, the large wholesaler-retailer affiliated groups (two of which have spread widely to other European countries) and the large chains. The greatest success may come in the end through offering products that can be packed—in the United States or in Europe—under the buyer's private label and merchandised on the buyer's own terms.

France Guards Against Foot-and-Mouth

To prevent the entry of foot-and-mouth disease into France the French Government, on January 10, placed a ban on imports from West Germany and the Netherlands of all ruminants and hogs as well as meat and other products from these animals. This was followed 4 days later by a similar ban on the same imports from Hampshire, West Sussex, Wiltshire, and Dorset counties of the United Kingdom.

The import restrictions also apply to meat and livestock from countries from which imports are not restricted for disease control purposes if such meat and livestock transits across any of the countries from which imports are prohibited. They may enter, however, if they are shipped through these countries in sealed vans or rail cars, or are unloaded from ships directly into vans which are then sealed by customs authorities.

Imports of ruminants and hogs and their products continue to be prohibited from Italy, Spain, Portugal, and the Soviet Union. These prohibitions are of long standing since they were not removed following their implementation about a year ago. Otherwise, imports are allowed from all European countries.

From an economic and commercial point of view the most serious effect of the import bans may be on the supply of pork for the French market, since the Netherlands is normally the major supplier of pork. It is expected that most of the required pork will be purchased in the Scandinavian countries. The price of pork in the United States is believed to be too high for any purchases to be made there, but there is always a chance that some small quantities of special items may be purchased if they are not readily found in those European countries free of foot-and-mouth disease.

—*From a dispatch by* HAROLD L. KOELLER
Assistant U.S. Agricultural Attaché, Paris

Nigeria's Peanut Industry
—where progress has locked horns with tradition

In Nigeria nearly a million tons of peanuts each year are cultivated, crushed, or exported for crushing, making them the country's No. 2 earner of foreign exchange after petroleum and Nigeria the world's No. 1 supplier of peanuts.

Last year Nigeria harvested what is believed to be its largest peanut crop on record—close to 1 million tons (shelled) valued at $149 million. Generally prospects for Nigeria's peanut industry look very good; projections have set output up to 1.13 million metric tons by 1969 and 1.4 million by 1975. Of this 1975 figure more than a million tons of peanuts and products are expected to move into export. However, output most likely will fall short of these generous predictions because of recent political upheaval in the country.

Brought to port by rail and truck, bags of peanuts—or groundnuts, as they are called in Nigeria—are stacked in pyramids of about 850 tons each to await shipping. The pyramids frequently are covered with tarpaulins for protection.

Why progress is blocked

But for all the headway Nigeria has made in output and earnings, Nigeria's peanut industry is operating like a worker with one hand tied behind his back. There is a shortage of managerial and technical skills in Nigeria, distances from farm to port are great, and transportation is inadequate. Electrical power supply is insufficiently developed and the marketing system is confusing. Increased emphasis on agricultural credit, soil and water conservation, agricultural research, and statistics is desirable and needed. One problem which will be getting increased attention and which influences the above-mentioned limitations is Nigeria's land tenure question.

Land ownership in Nigeria is on an occupancy-rights basis and held along tribal, family, or kinship lines; tenure is administered according to local tribal customs and laws. There are no landlords and tenants, no production controls or marketing quotas. Only about 10 percent of Nigeria's land area is in farm crops, virtually all of it cultivated on small operations which use unskilled labor and primitive hand tools. The areas cultivated in any one year are limited in acreage to what a family itself can readily handle and range in size from 1 to 5 acres. Migration to settled areas is seriously impeded by close family and tribal ties.

The Nigerian peanut farmer receives his chief production incentive from an assured market at a fixed price, but rainfall distribution and planting and growing conditions also are quite important. If the rainy season arrives early, he is able to plant his food crops early and get them off to a good start. (Peanuts are an important food in peanut growing areas but are planted chiefly for cash earnings. Therefore, much of each farmer's land must necessarily be planted to sorghum, millet, beans, and onions to feed his family.)

When ample food is guaranteed a good amount of land is likely to go for peanuts, returning to the farmer cash earnings to buy textiles, simple farm tools, and other items. But if the rains come late and the crop outlook is poor, he will delay planting peanuts until his food crops are in and well underway. This usually results in fewer acres of peanuts and reduced yields.

Animal draft power is important in the north, where between 25,000 and 35,000 plows drawn by oxen break ground for peanuts and cotton. A special type of plow was developed for Nigerian farmers by Ransome, Ltd., of England and has been in use for some time.

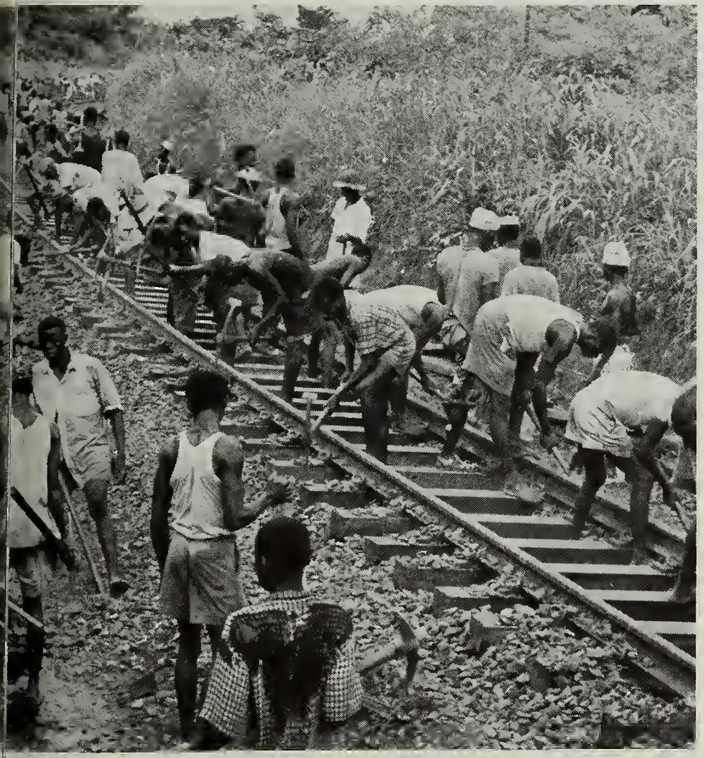
Nigeria's 1962-68 Development Plan has a $49.4-million budget for agriculture, but this is primarily for irrigation surveys and soil conservation schemes, for training of agricultural extension workers and tractor demonstration units, and for assistance to research. These projects may not directly and immediately encourage agricultural output, which now is increasing about 2 percent a year.

Peanut prices, which have a decided effect on the rate of output, are determined by the Nigerian Marketing Boards through their sales agent, the Nigerian Produce Marketing Company, Ltd. The Boards have complete control over exports of peanuts and products as well as most other agricultural commodities. Fixed or support prices apply to those commodities handled by the Marketing Boards. Uniform prices are set at the beginning of the marketing year, with their only variation between localities being the difference in the cost of transportation.

Transportation charges, the produce sales tax, and the allowance for the licensed buying agents are deducted from the Board's price to arrive at the price paid to producers. This generally comes to $30-$42 per ton less than the Board buying price, basis port-of-shipment. The actual sales for export are handled by the Nigeria Produce Marketing Company, which is a wholly owned subsidiary of the several Regional Marketing Boards, and is headquartered in Lagos.

Internal transportation inadequate

Transportation is the big variable in Nigeria's price system for peanuts and has for some time been a costly bottleneck to trade. The main rail and road shipments of peanuts are from Kano—the chief growing area—to Lagos and Port Harcourt—the chief port. Nigerian peanuts are shelled and bagged in the area in which they are grown, then are stacked—still bagged—in pyramids of about 850 tons to await distribution. Most peanuts move



Nigerian workers are busily lifting and packing railway track near Gombe on an extension of the line which carries Nigeria's peanuts to port. Financing was aided by a $28-million loan from the World Bank.

to port by rail, but some also are transported by truck and water.

The 1962-68 Development Plan provides for extensive assistance to the transportation system, but the volume of general cargo is rapidly increasing, and shipments are often seriously delayed. Turnaround time for boxcars between Kano and Lagos under favorable conditions is usually longer than 10 days. Some consideration has been given to establishing bulk handling and shipment of peanuts from the railhead to the port of evacuation, but as of 1964 the cost of installing the necessary equipment was prohibitively high.

The crushing industry, like peanut farming, is somewhat inefficient. Processing costs are relatively high because repairs are expensive, the salaries of European managerial personnel are high, and a great many local laborers are employed. In 1963 the four plants in Kano employed a total of about 700 local laborers. For the past several years the value of the oil and meal crushed in Nigeria (c.i.f north European ports) has been only $9-11 a ton over the price of peanuts.

Cooperative marketing for peanuts

For help in marketing its peanuts and oil Nigeria joined Senegal, Niger, and Upper Volta on March 16, 1966, to establish the African Groundnut Council. This is a common market organization to handle the sale and marketing of peanuts and byproducts in world markets. Membership in the Council is open to all African countries and all peanut exporting countries in the Organization of African Unity. Headquartered in Lagos, the Council is aiming for economic unity among peanut exporters and a profitable exchange of technical and scientific information.

The council has also decided to establish a regional office in Dakar, Senegal, for sales of peanuts from the Gambia, Niger, Nigeria, and Senegal. During the first 3 years, the office will act as an information center only, collecting and disseminating market information daily, thus permitting the member states to coordinate their sales policies. During the second stage, a regional director general will be installed to assure coordination of sales as well as coordination among the local sales directors of the member countries.

Objectives for the third and final phase call for an entirely integrated regional office where all employees will be directly responsible to the Groundnut Council and which will sell all peanuts from the member states. The office will be financed by a proportionate tax to be levied on the member countries based on production levels.

United States Still Ranks as No. 1 Supplier of Grains to Ireland

Wheat and feedgrain imports by Ireland in the first quarter of the 1967 grain marketing year show that the United States is still top supplier of both commodities.

For several years the Agricultural Institute and the University College, Dublin, have been conducting feeding trials to promote grain fattening of cattle. This action is in line with government policy that now encourages domestic slaughter of finished cattle. Traditionally, Ireland has exported the major share of its cattle as feeders for fattening in the United Kingdom.

Most of the U.S. wheat imported during that period was either Hard Red Winter or White wheat, although there also were some imports of Hard Red Spring and Soft Red Winter wheats. Before late 1965, Irish imports of U.S. wheat were limited primarily to Soft White wheat used for making crackers and biscuits.

In late 1965, however, several Irish millers imported trial shipments of both U.S. Hard Red Winter and Hard Red Spring wheats. They found these wheats suitable for Irish needs, and have since imported both classes on a regular basis. In the first 9 months of 1966 Ireland bought 50,235 tons of U.S. wheat, more than twice the amount imported during comparable 1965.

Despite a much smaller crop this year, Irish millers estimate the 1966 domestic wheat crop will provide 40 percent of Ireland's 1966-67 millable wheat. Accordingly, import requirements during 1966-67 will be 220,000 tons. Ireland is expected to import about 40 percent of this from the United States.

This will be much better than in the years before 1965-66 when the United States supplied only 6 to 8 percent of Ireland's annual wheat imports. Feed wheat imports are expected to be small during 1966-67.

Irish millers and government officials expect that acreage sown to wheat in Ireland in 1967 will be much larger than during the past 2 years. Adverse weather during planting time drastically reduced the 1966 wheat acreage, which was already 30 percent below the 1965 acreage.

IRISH WHEAT IMPORTS BY COUNTRIES OF ORIGIN

Origin	Jan.-Mar. 1966	Apr.-June 1966	July-Sept. 1966
	Long tons	*Long tons*	*Long tons*
Canada	21,129	17,143	28,475
Australia	25,654	22,389	19,470
United States	11,039	17,412	21,784
France	4,444	2,909	2,650
West Germany	2,103	3,271	—
Argentina	1,341	950	—
Others	—	31	1,255
Total	65,709	64,105	73,634

Unpublished data compiled by the Central Statistics Office, Dublin.

IRELAND'S FEEDGRAIN IMPORTS BY COUNTRIES OF ORIGIN

Item	Jan.-March 1966	Apr.-June 1966	July-Sept. 1966
Corn:	*Long tons*	*Long tons*	*Long tons*
United States	26,426	34,838	32,663
Others	466	48	28
Total	26,892	34,886	32,691
Sorghum:			
United States	54,134	21,904	14,863
Argentina	—	347	26,196
Total	54,134	22,251	41,059

Central Statistics Office, Dublin.

Good U.S. feedgrain sales

U.S. sales of feedgrains have remained high despite a drop in total Irish imports, primarily because of larger imports of U.S. corn. Ireland imported 94,000 tons during the first 9 months of 1966, about 17,000 more than during the same period in 1965.

Ireland's imports of U.S. grain sorghum were 91,000 tons during January-September 1966, slightly higher than during the same period in 1965. Figures covering Ireland's foreign trade during the third quarter, however, show that the United States lost its position as the leading supplier of Ireland's imported grain sorghum. Ireland imported 41,000 tons of grain sorghum during July-September 1966, including 26,000 tons from Argentina and 15,000 from the United States.

Lower price from Argentina

This was the first quarter since January-March 1965 that the United States was not the largest supplier of Ireland's imports of grain sorghum. Price apparently was the reason for Ireland's preference for Argentine sorghum. The average price of U.S. sorghum imported during last July-September was $58.52 per long ton, compared with an average price of $55.86 for Argentine sorghum imported during the same period.

Ireland did not import any U.S. feed barley during the first 9 months of 1966; some 14,500 tons were imported during January-September 1965. Ireland's imports of feed barley were negligible during 1966.

Total imports of feedgrains (including wheat byproducts) into Ireland during the first 9 months of 1966 were approximately 300,000 long tons, 25 percent less than during the corresponding 1965 period. The drop in total imports was related to a decline in Irish hog production and large supplies of domestic feed wheat available from the 1965 crop.

Hogs consume approximately three-fourths of all grain fed to livestock in Ireland, and the level of hog production is the dominating demand factor in the Irish feedgrain market. Hog slaughter in Ireland during April-September 1966 was 9 percent below the slaughter in the same period of 1965, and slaughter during the fourth quarter of 1966 plummeted to 20 percent below slaughter in the same period the year before.

Irish wheat used for feed

Much of the 1965 Irish wheat crop was not suitable for milling and had to be used for livestock feed. This unmillable wheat, plus the large 1965 domestic barley crop, reduced Ireland's demand for imported feedgrain during 1966 as compared to 1965. However, cutbacks in imports during 1966 were mainly in feed wheat and barley since corn and grain sorghum were used to meet Ireland's import requirements for feed energy.

—RICHARD E. BELL
U.S. Agricultural Attaché, Dublin

Southeast Asian Nations Take First Step Toward Agricultural Cooperation

Rapid dwindling of food surpluses in the major agricultural producing nations of the world has pointed up the need for food-recipient countries to place increasing emphasis upon the development of their own productive resources. A new philosophy of aid is evolving with greater international cooperation on the part of donor countries and with more emphasis on larger financial contributions to underdeveloped countries for "do-it-yourself" programs.

Potential for development

Southeast Asia is one of the regions of the world where population growth is rapid. In several of the countries of this region, food production is inadequate, necessitating large imports to meet minimum nutritional requirements. The overall economic productivity is low, and average per capita incomes and standards of living are low too. Most of the countries of this region are undeveloped economically but have large potentials of human and material resources which could be developed, particularly in agriculture.

In view of this situation two significant moves toward Asian cooperation occurred in Tokyo late last fall. In November an organizational meeting was held establishing the Asian Development Bank with headquarters in Manila. Following this the Japanese Government hosted a conference on Agricultural Development in Southeast Asia from December 6 to 8.

Official delegates, Ministers and Directors of Agriculture, or special representatives, of nine countries attended. Countries represented were Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, South Vietnam and Japan. In addition to the country delegates, representatives of FAO (Food and Agriculture Organization) and ECAFE (Economic Commission for Asia and the Far East) and the President of the Asian Development Bank attended as observers.

Agriculture highlighted

The joint communique of the conclave stressed the priority of agriculture in the future economic growth and stability of Southeast Asia. Recognition of the various problems and difficulties to be encountered in the promotion of agricultural expansion in the nine countries were noted as follows:

(1) Importance of development of the food crops—particularly rice—in an effort to cope with the food needs of population increases in Southeast Asia.

(2) Improvement in agricultural technology. (This problem is emphasized in the need for research for higher rice yields and improved methods of rice cultivation in many of the member countries.) Improved agricultural techniques are expected to take the form of:

- New varieties of grain, particularly rice.
- Greater skill in the application of fertilizers.
- Soils research, and improved methods of field cultivation.
- More attention to pest and disease control—such as improved methods suited to tropical environment.
- Better extension and training program so that farm technology can be easier understood and followed by farmers. Attention is expected to be given to expansion of research and training facilities for agricultural technicians.
- More coordination with international organizations, such as FAO and ECAFE, in scientific and extension programs was recommended. Regional cooperation in the exchange of new agricultural techniques and research was stressed.

(3) Necessity for increased emphasis on irrigation, land drainage, and flood control projects in order to achieve the broader agricultural expansion. Attention for the immediate future will be given to the promotion of small-scale projects to control water resources.

(4) Modernization of marketing systems—and in some areas their introduction—to facilitate distribution of food and agricultural raw materials from the producers to the consumer. Efforts will be made to lower production and marketing costs, through the establishment of agricultural cooperatives, expansion of transportation, and storage facilities. Consideration was given to regional cooperation and the effectiveness of international commodity agreements with respect to export commodities, particularly in maintaining price levels.

(5) Improvement of nutritional standards along with the expansion of food supplies for Southeast Asian countries. Emphasis is also being placed on the enlargement of fisheries in an effort to increase animal proteins in conjunction with production of agricultural commodities.

Financing under discussion

The overall plans for financing the programs are not as yet firm. It is known that the Southeast Asian nations have petitioned the Asian Development Bank for the establishment of a special lending fund for financing agricultural development projects. It is also known that committees are at work on the details of many of the projects and the costs and financing involved in order that reports can be made to the Asian Development Bank and at future conferences planned for 1967.

Japan has a special interest in this international cooperation. As a major importer of food and raw materials and one of the world's most important exporters of manufactures, it is of vital interest to Japan that greater economic growth and stability, as well as higher living standards, be generated in Southeast Asia. It is through this phase of regional development and growth that greater trade opportunities for Japan and the other countries of Southeast Asia can be assured.

Press reports from Tokyo indicate that Japan has already pledged $100 million to the Asian Development Bank, which has been specially designated for the Southeast Asian Agricultural Development Fund. Japan hopes that sizable contributions will be forthcoming from the United States, Canada, Australia, and New Zealand as well as from other developed nations interested in the economic development and stability of Asia.

—Mary E. Long
Foreign Regional Analysis Division
Economic Research Service

Japanese Soybean Oil Promotion Stresses Nutrition Improvement

The first direct-advertising campaign in Japan to promote the use of vegetable oil—particularly soybean oil—is now in high gear, according to officials of the American Soybean Association. The promotion, sponsored jointly by ASA and the Japan Oilseed Processors Association, is being carried out by a Japanese advertising firm. It began last October and will continue through 1967.

ASA, in cooperation with the Foreign Agricultural Service, has been actively promoting soybeans and soybean products in Japan for more than 10 years. During that time, Japanese imports of U.S. soybeans have doubled.

Uses of U.S. soybeans

Some U.S. soybeans imported by Japan are used directly in making Japanese-type foods—tofu (curd), miso (paste), and shoyu (sauce). However, most of these soybean imports are crushed, a process that yields both oil and meal.

There has been a steadily growing market in Japan for the soybean meal as a protein ingredient in livestock and poultry feeds. A considerable amount of meal is also used in the manufacture of Japanese-type food products. There has not been a corresponding increase in the demand for oil.

The current campaign emphasizes the use of soybean oil in tempura cooking (a Japanese form of deep-fat frying), in the making of Western-style fried dishes, and as an ingredient in pastries and other foods.

Japan's oil consumption

Although Japan's per capita consumption of fats and oils (over one-third soybean oil) has been increasing in recent years, it is still well below that of most other developed countries as well as below levels recommended by the World Health Organization.

Japan's present annual per capita consumption of fats and oils is around 16 pounds, compared with 46 pounds in the United States and 56 pounds in West Germany.

Campaign activities

Through the current campaign the sponsoring agencies are seeking to increase Japanese fat consumption at least 10 grams a day—by convincing consumers of the desirability of using more oil and by showing them how to use it.

Some of the main campaign activities so far:

- Weekly television program, "Kuishimbo Dangi" (Gourmet Talk), carried by four major stations. In this 25-minute show, a cooking specialist demonstrates the preparation of a dish that uses vegetable oil. Following this demonstration, two well-known epicures and a special guest discuss various aspects of good eating. Dishes prepared on the first shows have included tempura, fried oysters, omelet, and sukiyaki.
- Generic advertising. Ten large advertisements featuring the contributions of oil to the diet will appear in one of Japan's most widely circulated newspapers during the campaign.

Five of these, which have already appeared, have stressed the importance of adequate fat consumption. Each carried the endorsement of a different health contest winner.

- Slogan and symbol. "Eat one meal cooked with vegetable oil every day" has been adopted as the campaign slogan. A special design (shown above right) combining this slogan with the campaign symbol has been widely publicized over television and in newspapers and magazines.

- Oil day. The Japanese Ministry of Agriculture has cooperated in the campaign by designating the first day of each month as "Oil Day."
- Special promotion. Free fried tempuras of fish and vegetable—two to a person—were served to 1,000 housewives in a large housing development near Tokyo on November's Oil Day. The housewives received literature on the nutritional value of vegetable oil and on oil cookery along with their tempuras.
- Other publicity. Educational material prepared by the sponsoring agencies has been passed on to the public through numerous columns and stories in newspapers and magazines and by commentators on a great many radio programs.

350 West German Stores To Push U.S. Processed Foods

The densely populated central Ruhr area of West Germany where some 2.7 million people live—in and around Essen—will be the locale of 1967's first FAS-sponsored in-store promotion of U. S. foods in foreign markets.

From March 3 through 13, the VeGe-Zentrale Ruhr chain of some 350 food stores will stock extra quantities of U. S. processed foods, including many items new to their customers. Special store displays and decorations and additional advertising in metropolitan newspapers will publicize the event.

VeGe stores, which include both self-service and service outlets, carry a full line of groceries—dairy products, meats, frozen foods, fruits and vegetables, and breads and pastries. Their normal inventory of U. S. imports includes: Canned peaches, pineapple, fruit cocktail, asparagus, poultry, orange juice, and cherries; frozen turkeys and other poultry; dried prunes and dates. When possible, the stores also carry fresh apples, pears, and citrus fruits from the United States.

The VeGe firm will make special purchases of U. S. foods for the promotion. These purchases will amount to 10 percent of VeGe's average annual takings from the United States —some $975,000 worth—and will include at least six new lines.

Firms interested in participating in the promotion may contact Mr. Guenther Behrens, Fa. Heinrich Paas Essen, VeGe-Zentrale Ruhr, 43 Essen-Altenessen, Postfach 227.

Pickup in U.S. Lard Exports to the United Kingdom

British imports of lard during the first 11 months of 1966 were 13 percent less than those of the same period last year. However, imports for the month of November were above those of both September and October, largely as a result of increased supplies of lard in the United States.

U.S. exports of lard entering the United Kingdom showed marked improvement in November, though still well below year-earlier levels. Approximately 36 percent of the November imports came from the United States compared with only 23 percent in October. Lard supplies in the United States have been rising in line with increased hog production and slaughter. As a result, U.S. lard prices have been declining, making U.S. lard more competitive in the world market.

Belgium—strongest U.S. competitor—lost the first-place position it had gained during October. In November, Belgium supplied 28 percent of all British lard imports, down 1 percent from the previous month.

Other competitors showing substantial increases in the British market during the first 11 months of 1966 included Romania and Poland, each supplying approximately 10 percent of the market. Last year Poland supplied only about 2 percent, and Romania, not even 1 percent.

LARD IMPORTS BY THE UNITED KINGDOM

Country	January-November			
	1965		1966	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	237,613	55.2	103,103	27.4
Belgium	102,050	23.7	95,074	25.3
Poland	7,313	1.7	37,579	10.0
Romania	2,080	.5	34,705	9.2
Denmark	22,075	5.1	25,860	6.9
Netherlands	11,778	2.8	20,680	5.5
Italy	18,760	4.4	16,954	4.5
France	17,337	4.0	15,714	4.2
Germany, West	3,174	.7	9,358	2.5
Sweden	4,796	1.1	4,707	1.3
Switzerland	1,621	.4	4,394	1.2
Bulgaria	—	—	4,091	1.1
Canada	448	.1	1,525	.4
Others	1,476	.3	2,131	.5
Total	430,521	100.0	375,875	100.0

Henry A. Lane & Co., Ltd., London.

U.S. Tobacco Exports Rise in 1966

U.S. exports of unmanufactured tobacco in calendar 1966, at 551.2 million pounds (export weight), were up about 18 percent from the depressed level of 468.1 million in 1965. They were 10 percent above the average for 1955-59, a period when world tobacco exports were substantially below those of recent years. The U.S. share of Free World exports in 1966 was still below the share in the 1955-59 period.

The value of U.S. exports of unmanufactured tobacco in 1966 set a new record of $481.5 million, or nearly $100 million above the value for 1965.

Major factors contributing to the rise in exports last year included: Sanctions imposed by most major importing countries on Rhodesian tobacco trade; improvement in quality of recent flue-cured crops; expanding world cigarette consumption; and the export-payment program.

Flue-cured tobacco accounted for most of the gain in exports. Exports of this kind rose by about 20 percent from the 1965 level. Burley exports were up slightly, while those of Kentucky-Tennessee dark fired were down about one-fifth from 1965. Maryland exports rose by 5 percent.

The average export price per pound in 1966 for total exports was 87.4 cents, compared with 81.8 cents in 1965.

Exports of tobacco products in 1966 totaled $129.7 million in value, compared with $123 million in 1965. All categories of products gained, with cigarette exports, at 23,453 million pieces, up 1.8 percent from the previous year but still below the 25,144 million exported in 1964.

U. S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	December		Jan.-Dec.[1]		Change from 1965
	1965	1966	1966	1965	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	50,684	59,419	350,596	421,110	+ 20.1
Burley	3,391	3,340	45,295	45,705	+ 0.9
Dark-fired Ky-Tenn.	3,432	1,820	21,620	17,021	– 21.3
Va. Fire-cured [2]	452	389	6,474	7,854	+ 21.3
Maryland	547	1,452	10,116	10,612	+ 4.9
Green River	53	17	623	479	– 23.1
One Sucker	13	138	904	563	– 37.7
Black Fat	657	343	3,935	3,496	– 11.2
Cigar wrapper	185	219	3,921	4,471	+ 14.0
Cigar binder	199	52	2,521	1,909	– 24.3
Cigar filler	74	317	731	1,874	+156.4
Other	2,601	4,802	21,339	36,068	+ 69.0
Total	62,288	72,308	468,075	551,162	+ 17.8
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	55.0	67.4	382.7	481.5	+ 25.8

[1] Preliminary; subject to revision. [2] Includes sun-cured; exports of Virginia fire-cured probably will be reduced upon receipt of officiallv revised data.

Bureau of the Census.

U. S. EXPORTS OF TOBACCO PRODUCTS

Kind	December		Jan.-Dec.[1]		Change from 1965
	1965	1966	1965	1966	
Cigars and cheroots					*Percent*
1,000 pieces	4,716	4,092	55,249	73,214	+ 32.5
Cigarettes					
Million pieces	2,290	1,573	23,049	23,453	+ 1.8
Chewing and snuff					
1,000 pounds	53	169	388	514	+ 32.5
Smoking tobacco in pkgs.					
1,000 pounds	109	69	953	992	+ 4.1
Smoking tobacco in bulk					
1,000 pounds	2,385	1,981	13,579	14,839	+ 9.3
Total declared value					
Million dollars	13.6	9.9	123.0	129.7	+ 5.4

Bureau of the Census.

Swiss Tobacco Imports Decline

Swiss imports of unmanufactured tobacco during the first 9 months of 1966 totaled 27.6 million pounds—down

from 31.8 million for the similar period of 1965.

The United States supplied 13.3 million pounds during the 1966 period, or nearly one-half of the total import. Other countries supplying tobacco to Switzerland during the first 9 months of 1966 included Brazil 2.4 million pounds, Greece 2.1 million, Turkey 1.6 million, and Rhodesia 1.6 million.

SWISS TOBACCO IMPORTS

Origin	January-September	
	1965	1966
	1,000 pounds	*1,000 pounds*
United States	15,636	13,252
Brazil	2,393	2,393
Greece	2,746	2,146
Turkey	1,895	1,605
Rhodesia	1,639	1,575
Indonesia	1,137	1,170
Italy	1,413	910
Dominican Republic	616	540
Others	4,320	4,033
Total	31,795	27,624

Tobacco Intelligence, London.

Philippines Plans Increase in Sugar Production

The National Federation of Sugarcane Planters of the Philippines reportedly plans an increase in sugar production. A minimum output of 1.9 million metric tons in 1967-68 is to be obtained through maximizing use of existing production facilities. For 1968-69, the production target is 2.05 million tons, and for 1969-70, it is 2.2 million; 2.4 million tons is the longtime plan for 1973-74. These latter targets are to be reached through establishment of new mills and expansion in area planted to sugar.

Philippine Exports of Desiccated Coconut

Philippine exports of desiccated coconut during November and December 1966 totaled 6,802 and 6,363 short tons, respectively. Cumulative exports in calendar 1966 were 71,909 tons, or 3,847 below those in 1965. Of the total, 53,397 tons moved to the United States compared with 59,864 in 1965.

PHILIPPINE EXPORTS OF DESICCATED COCONUT

Country of destination	December		January-December	
	1965	1966[1]	1965	1966[1]
	Short tons	*Short tons*	*Short tons*	*Short tons*
United States	6,292	5,082	59,864	53,397
Canada	111	75	3,438	3,605
Denmark	12	6	905	995
Germany, West	241	35	2,467	4,131
Netherlands	194	151	1,180	1,376
Sweden	49	161	522	1,001
Australia	181	119	4,501	3,283
Others	245	734	2,879	4,121
Total	7,325	6,363	75,756	71,909

[1] Preliminary.
Associated Steamship Lines, Inc., Manila.

U.S. Exports of Soybeans and Products

Exports of U.S. soybeans during September-December of the 1966-67 marketing year totaled 103.0 million bushels, or slightly below the record level of shipments in the same months of 1965.

Exports of soybean and cottonseed oils (including foreign donations), at 228 million pounds, were almost 143 million pounds below the comparable months last season. Soybean oil exports accounted for over 90 percent of the total, compared with over 70 percent during the first quarter of 1965-66.

Cake and meal exports in October-December 1966-67 totaled 744,400 short tons, one-sixth below the record for the same months of the previous season. Exports to the EEC accounted for over 60 percent of the total.

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and country of destination	Unit	December		Sept.-Dec.	
		1965[1]	1966[1]	1965-66[1]	1966-67[1]
SOYBEANS					
Japan	Mil. bu.	4.1	4.8	21.3	24.0
Netherlands	do.	4.8	5.9	14.7	16.1
Germany, West	do.	3.8	4.3	13.8	13.6
Canada	do.	6.1	1.9	15.0	11.0
Spain	do.	1.1	2.1	5.2	7.9
Italy	do.	3.1	1.3	9.2	7.3
Others	do.	8.4	7.3	28.7	23.1
Total	do.	31.4	27.6	107.9	103.0
Oil equivalent	Mil. lb.	344.5	302.8	1,184.3	1,130.9
Meal equivalent	1,000 tons	737.3	648.0	2,534.8	2,420.4

EDIBLE OILS	Unit	December		Oct.-Dec.	
		1965[1]	1966[1]	1965-66[1]	1966-67[1]
Soybean oil:[2]					
Burma	Mil. lb.	0	25.0	0	40.4
Tunisia	do.	0	8.9	7.7	27.3
Yugoslavia	do.	38.8	24.7	38.2	24.7
UAR, Egypt	do.	2.2	12.9	3.4	19.8
India	do.	.1	5.5	.2	13.3
Greece	do.	1.2	10.8	1.2	11.6
Israel	do.	12.0	5.7	15.5	11.5
Canada	do.	1.8	.7	5.7	6.8
Vietnam, South	do.	0	0	0	5.9
Others	do.	132.1	17.3	193.5	49.2
Total	do.	187.2	111.5	265.4	210.5
Cottonseed oil:[2]					
Venezuela	do.	2.4	2.8	10.2	8.3
UAR, Egypt	do.	0	0	0	3.5
Canada	do.	3.6	.7	13.3	1.6
Sweden	do.	2.4	1.3	4.7	1.3
Dom. Republic	do.	([3])	0	.6	.8
Taiwan	do.	0	0	0	.5
Bahamas	do.	.1	.1	.2	.2
Others	do.	40.3	.4	76.5	1.3
Total	do.	48.8	5.3	105.5	17.5
Total oils	do.	236.0	116.8	370.9	228.0
CAKES AND MEALS					
Soybean:					
Germany, West	1,000 tons	74.2	50.0	153.6	136.0
France	do.	33.0	38.3	109.1	108.1
Netherlands	do.	50.8	36.7	112.6	91.4
Canada	do.	26.4	15.8	74.2	67.4
Italy	do.	8.7	29.9	43.4	61.9
Belgium	do.	19.1	14.6	49.2	47.8
United Kingdom	do.	17.9	7.2	33.0	33.8
Denmark	do.	20.1	12.3	41.7	27.2
Yugoslavia	do.	12.2	20.3	23.8	25.2
Switzerland	do.	1.0	2.9	5.4	10.1
Others	do.	66.3	34.3	127.9	67.0
Total	do.	329.7	262.3	773.9	675.9
Cottonseed	do.	12.9	.4	61.8	4.7
Linseed	do.	1.2	7.0	46.0	60.2
Total cakes and meals[4]	do.	347.9	271.1	892.1	744.4

Note: Countries indicated are ranked according to quantities taken in the current marketing year.
[1] Preliminary. [2] Includes Titles I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening under Title II and Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 pounds. [4] Includes peanut cake and meal and small quantities of other cakes and meals.
Compiled from Census records.

Senegal's Peanut Exports Up Sharply

Senegal's exports of peanuts (shelled) during January-November 1966 totaled 272,665 metric tons, over one-fourth above exports in the comparable months of 1965. Exports of peanut oil and peanut cake were only slightly above the previous year's levels. Of the total exports, 77 percent of the peanuts, 98 percent of the oil, and 71 percent of the meal went to France.

SENEGAL'S EXPORTS OF PEANUTS AND PRODUCTS

Commodity	1965	January-November 1965	January-November 1966
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Peanuts, shelled	216.8	214.4	272,7
Peanut oil:			
Crude	118.3	114.0	116.6
Refined	24.2	22.2	23.1
Peanut cake	196.4	185.6	189.3

1965—*Commerce Exterieur Du Senegal;* 1966—*Marches Tropicaux.*

Netherlands Prices on Canned Fruit and Juices

Selling prices in the Netherlands (landed, duty paid) of selected canned fruits and juices are shown below.

Type and quality	Size of can	Price per dozen units Jan. 1966	Oct. 1966	Jan. 1967	Origin
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Choice	15 oz.	1.96	2.06	2.05	Spain
Standard, unpeeled in light syrup	2½	—	3.81	3.81	U.S.
Quality not specified	2½	—	3.55	3.38	S. Africa
Do	500 gr.[1]	—	1.89	1.89	Spain
Cherries, not pitted	2½	—	6.80	6.80	Italy
Do	2½	—	7.13	7.13	Netherlands
Fruit cocktail:					
Choice, in heavy syrup	2½	—	5.17	5.17	U.S.
Do	303	—	3.31	3.31	U.S.
Choice, in light syrup	2½	5.64	5.04	4.94	U.S.
Do	303	—	3.28	3.22	U.S.
Fruit salad, pieces in light syrup	2½	—	—	3.81	U.S.
Peaches, halves:					
Choice, in heavy syrup	2½	—	4.18	4.18	U.S.
Do	303	—	2.78	2.78	U.S.
Choice, in light syrup	2½	4.38	4.08	4.08	U.S.
Do	303	—	2.72	2.72	U.S.
Standard, in light syrup	2½	4.24	3.91	3.91	U.S.
Pears, halves, in heavy syrup	2½	—	5.30	4.97	Italy
Pineapple:					
Choice, in heavy syrup:					
4 whole slices	#1	1.72	1.69	1.72	U.S.
8 round-cut slices	12 oz.	—	1.79	1.79	Malaya
10 round-cut slices	20 oz.	—	2.55	2.55	Malaya
10 whole slices	#2	3.28	3.28	3.35	U.S.
Whole slices	2½	—	4.74	4.71	U.S.
Do	30 oz.	—	4.01	4.01	Taiwan
Do	20 oz.	—	2.75	2.75	Taiwan
Heavy syrup:					
Chunks	2½	—	3.88	3.88	U.S.
Pieces	30 oz.	3.45	3.35	3.25	Taiwan
CANNED JUICE					
Grapefruit, unsweetened	#2	—	1.96	2.02	Israel
Orange, unsweetened	#2	1.92	—	2.09	Israel
Pineapple, unsweetened, fancy	#2	2.15	1.82	1.82	U.S.

[1] 500 grams=17.6 oz.

WORLD CROPS AND MARKET INDEX

EEC Broiler Surplus

(Continued from page 4)

establish an agency to support the price of poultry through purchases and storage. This agency would be patterned after the intervention agency for beef (SIBEV), the essential difference being that the poultry agency would be financed by the producers through a fee levied on all poultry sold. To facilitate immediate purchases, the French intervention agency for numerous farm commodities (FORMA) would advance funds to the poultry agency which would reimburse it later. FORMA is also paying exporters the entire broiler subsidy—12.4 cents per pound—authorized by the EEC in December.

Europe's poultry problem in world context

It is apparent that current EEC policies on poultry are leaving the European poultry industry in a state of crisis. As long as these policies remain in effect, production can be expected to go on expanding and prices will drop even further during the next few months. This is evidenced by the fact that all the countries of significance to the European market have increased their parent stocks of broiler breeders, so that increased supplies of broilers can be expected to continue well into 1967.

The United States had hoped that the Kennedy Round of tariff negotiations currently underway in Geneva among members of the General Agreement on Tariffs and Trade (GATT) would go a long way toward liberalizing the EEC protection on agriculture, including poultry. But, as FAS's Deputy Assistant Administrator for International Trade pointed out in *Foreign Agriculture* last week (see p. 5), "We are sadly disappointed with the offers made to date by the EEC. These are entirely in terms of the EEC system. Very few represent true trade liberalization or betterment of the situation for exporters. Most would just bind the situation that will result from the completion of the EEC variable levy system. It is hard to escape the judgment that EEC offers are designed almost entirely to obtain international approval of this system."

These conditions appear to call for continued attention to the problem by the six EEC governments; by the Community; and by the major poultry trading countries.

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Highlights of the Agriculture and Trade of Japan

Resources:—The land area of Japan totals 142,737 square miles—smaller than the State of California—with about 16 percent of it in crops. Farms are small, averaging about a hectare (2.471 acres).

Population at the 1965 census totaled 98,270,000, an annual increase of 1 percent. Rural population is about 31 million, down 6 percent from 1960, and about half of the current farm labor force are women.

GNP for 1965-66 was $87 billion, a real growth of 5 percent above 1964-65; per capita income in 1965 was about $709. Farm income for 1965 was about 8 percent of national income as compared to 20 percent in 1956.

Agriculture:—The index of farm production indicates a 3-percent increase in agricultural output in 1966 as compared with 1965. Much of this increase is due to the emphasis on expansion of rice, fruits, pork, milk, and poultry meats. Growth in agricultural output, however, has not kept pace with industry, which has increased 73 percent since 1960.

Farm production costs are high—too high to compete with efficient agricultural countries. High yields are obtainable only with the maximum use of fertilizers, herbicides, pesticides, and hand labor—all of which are costly. Farming is intensified by double cropping, particularly in the paddy rice areas. More and more Japanese farmers are supplementing their farm earnings by working in nonfarm enterprises.

Food situation:—Average daily caloric intake for 1959-61 was about 2,400 calories. Most of the increase in food consumption during the last 10 years has been in the higher protein foods (meats, dairy products, fish) and in sugar and fats; cereal consumption has declined.

Foreign trade:—Japan is one of the world's major trading nations. Imports in 1965 were valued at $8.2 billion; agricultural products accounted for $2.9 billion.

Dependent on imports for one-fifth of its food requirements, Japan purchases large quantities of grain, animal and vegetable fats (including oilseeds), and raw sugar. It also imports cotton, wool, and natural rubber as raw materials for use in its textile and rubber industries.

Agricultural trade with U.S.:—Japanese imports of U.S. farm products for calendar year 1965 were valued at $966 million and are expected to be over $1 billion in value for 1966. Japan's agricultural imports from the United States in 1965 exceeded 1964 trade by about 20 percent.

For the first 11 months of 1966, Japanese imports of 19 selected agricultural commodities from the United States totaled $903 million or 16 percent above the value of this same trade in 1965. Japan is now the United States' largest commercial market. Principal U.S. farm products exported to Japan are cotton, soybeans, wheat, corn, grain sorghum, barley, rice, hides and skins, tallow, tobacco, raisins, miscellaneous feedstuffs, safflower seed, nonfat dry milk, and poultry meat.

Factors affecting agricultural trade with the United States:—Imports of agricultural products into Japan are subject to government policies which tend, directly or indirectly, to restrict trade. Domestic price and production policies for protection of local farmers influence the government's import restrictions and create problems for traders. Commodities remaining under fund allocation restriction are wheat and wheat products, rice, barley, tobacco, citrus fruits (except lemons) dairy products, livestock for breeding, soybean oil and meal, and processed foods.

In recent years, Japan has emphasized bilateral trade agreement negotiations with several countries. The Japanese have made capital investment in undeveloped countries to expand agricultural production for export to Japan in return for markets for Japanese manufacturers.

Imports of three basic foodgrains—rice, wheat, and barley—are controlled by the Food Agency of the Ministry of Agriculture and Forestry. Imports are made by licensed contractors and then turned over to the Food Agency for marketing; tobacco is imported and marketed under a government monopoly. The government controls distribution of nonfat dry milk into school lunch programs, indirectly regulating imports. —Mary E. Long

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